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SUBJECT: FORUM FOR THE FUTURE MAY 10 STEERING COMMITTEE MEETING

REF: MANAMA 675

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Summary

[1](#). (SBU) Bahrain hosted a meeting of the G8/Broader Middle East and North Africa (BMENA) Forum for the Future (FfF) Steering Committee May 10 that included representatives of the U.S., UK, Russia, Morocco, Jordan, and Egypt. The parties discussed preparations for the FfF meeting, to be co-chaired by Bahrain and the UK on November 11-12, 2005 in Manama, including achieving progress on G8/BMENA initiatives, the role of civil society and business at the Forum, new initiatives including the Foundation for the Future and Fund for the Future, and participants. The representatives requested a role for the BMENA process at the July G8 Summit in Gleneagles, Scotland to highlight continued attention on reform in the Middle East. The Arab participants emphasized that the governments had an obligation to show their peoples concrete results from their enhanced partnership with the G8 countries. End Summary.

Participants

[1](#)2. (SBU) Bahraini Minister of State for Foreign Affairs/Information Minister Mohammed Abdul Ghaffar chaired a May 10 meeting of the G8/BMENA Forum for the Future steering committee in Manama. Participants included:

Bahrain: Abdul Ghaffar; MFA Assistant Under Secretary for Coordination and Follow Up Shaikh Abdul Aziz bin Mubarak Al Khalifa; MFA Director for Bilateral Affairs Ambassador Dhafer Al Uman; Finance Ministry Director for Economic Planning Yousuf Humood

U.S.: NEA PDAS Elizabeth Cheney; Ambassador Monroe; NEA DAS Scott Carpenter

UK: FCO Head of Engaging with the Islamic World Group Ambassador Frances Guy; Ambassador to Bahrain Robin Lamb; FCO Head of Policy Team Michael Nevin

Jordan: Finance Minister Bassem Awadallah; Ambassador to Bahrain Hussein Al Majali

Egypt: Investment Minister Mahmoud Mohieldine; Ambassador to Bahrain Azmy Khalifa; MFA National Coordinator for Development Initiatives in the Middle East Shabaan Mohammed Shabaan

Russia: MFA Missions Ambassador Sergi Kerpitchinco; Ambassador to Bahrain Yuri Antonov

Morocco: MFA General Director for Bilateral Relations Yousuf Al Emrani; Ambassador to Bahrain Al Yazid Al Kadiiri.

FfF to Focus on Reform Achievements

[1](#)3. (SBU) Abdul Ghaffar opened the meeting, with media representatives present, by explaining Bahrain's vision for the November 11-12 FfF meeting, co-chaired by Bahrain and the UK. He said it was an opportunity to review progress, assess advancements, and show clear, tangible results demonstrating the value of cooperation between BMENA and G8 countries on reform. He expressed his appreciation for G8 investment in BMENA countries, and said the G8 should now build upon this foundation with additional assistance -- funding, resources, and know-how.

[1](#)4. (SBU) Minister Awadallah echoed these ideas, saying that "our people" expect results from the region's partnership with the G8. The participants must show real, tangible progress that affects regular people's lives. The FfF should be more than just a housekeeping review of programs; there should be additional project proposals. Switching gears,

Awadallah said that the 2004 G8 Summit in Sea Island, Georgia showcased a commitment from the top political leadership for reform in the region. He recognized that the UK has a full agenda for the Gleneagles Summit, but stressed that the G8 would not send the right message to the region if Middle East reform was not discussed. Renewing focus on reform would provide more meaning for the November FfF meeting.

Pressing for BMENA Presence at G8 Summit in UK

15. (SBU) NEA PDAS Cheney said there should be a high level event at Gleneagles so that the G8 is seen to be directly involved in reform in the Middle East. This would give the Bahrain meeting an umbrella of global support and encourage other European countries to contribute financially or politically to the initiative. Bahrain, Morocco, and Egypt all stated their support for this idea. The UK's Guy replied that she had received the message and would convey it back to London. (Note: Per reftel, Crown Prince Salman made the same request in a joint meeting with all the delegations later in the day. End Note.)

16. (SBU) Guy reviewed ongoing activities related to BMENA initiatives. She said that the UK held a meeting of finance ministers on the margins of the World Bank/IMF meetings in Washington in April 2005. There will be a similar meeting on the margins of the Bank/Fund meetings this fall. The Arab Business Council will meet with government representatives soon in Jordan. Jordan will host an education ministerial at the Dead Sea after the World Economic Forum meetings in May.

Democracy and Civil Society Initiatives

17. (SBU) Guy explained action related to democracy and civil society. Yemen, Italy, and Turkey are leading the Democracy Assistance Dialogue (DAD) with the participation of other G8 and BMENA countries. They have teamed up with NGOs from the three countries, most prominently with Italian organization "No Peace Without Justice." The DAD has two major themes: women in the political process, and political pluralism. The governments and NGOs plan to hold meetings on these subjects before November so they can provide a report at the FfF.

18. (SBU) She continued that the civil society dialogue is built around four themes: transparency and anti-corruption, led by the UK; rule of law (U.S.); women and employment (Bahrain); and human rights (not yet assigned; UK in touch with Qatar about taking it on). The UK envisions a series of civil society meetings and events built around these themes taking place in the period leading up to the FfF. At the Forum, a few NGO representatives involved in each theme would report progress made in these areas and issue recommendations for government action. She said there is no need for a big civil society meeting at the time of the FfF because NGOs will have been involved in earlier meetings on the four thematic areas.

19. (SBU) DAS Carpenter added that countries must be consistent in how they deal with civil society and make clear how they will be involved in the Forum meetings. It should be up to the NGOs themselves to decide who will represent them in Bahrain. Morocco's Al Emrani commented that his country did not handle NGO representatives well at the 2004 Forum in Rabat, and suggested that the organizers include NGOs in the planning process so there are no surprises.

Business To Play a Role

10. (SBU) Abdul Ghaffar noted that, in the context of civil society participation at the Forum, it was important that business play a role. At the recent Community of Democracies conference in Chile, he had suggested that business groups and corporations participate because economic and political development and reform go together. In Bahrain's case, this was particularly important because business people needed to understand that peaceful demonstrations and rallies were part of political openness, and investors should not run away from emerging democracies in the developing world that permit public expression of political views.

11. (SBU) The UK's Nevin said that the parties could adopt a similar approach for business as that for civil society. Business groups could hold meetings on their own and then report their findings to the FfF. Egypt's Mohieldine stated that the Arab Business Council had been active on economic reform, and the Economic Research Forum had been supportive of the Alexandria meetings on reform. The themes for business activities could be investment and corporate governance and, he suggested, BMENA activities could be coordinated with the OECD, which also focuses on these

issues. Al Emrani suggested that BMENA also "build a bridge" to the Barcelona process.

112. (SBU) Mohieldine said that the FfF should adhere strictly to the idea of regional projects rather than single country projects. The Forum should ensure that the efforts and projects are sustainable, decisions are transparent, and all participating countries have access to the initiatives. To address sustainability, the parties should consider creating a secretariat to promote follow up. The secretariat does not have to be large or expensive, but would fill a need in promoting the regional initiatives.

Foundation and Fund for the Future

113. (SBU) PDAS Cheney stated that the U.S. would like Forum participants to announce two deliverables at the November meetings. They are the Foundation for the Future and the Fund for the Future. The Foundation would coordinate projects on democracy, political reform, and civil society in the region. As a result of our experience and conversations with the UK and EU, she said, our thought is to create an entity outside of official government donor channels which is multilateral, has a clear mandate, and whose members of the board of directors come from BMENA and donor countries. Initial funding should be \$60 million, of which the U.S. would provide \$35 million. The U.S. will distribute a proposal on the structure of the Foundation and the board. We will work with the World Bank on having a Bank official seconded to the Foundation to work on its establishment. Cheney stressed that the Foundation should be viewed as a response to addressing the needs of the people of the region.

114. (SBU) The Fund for the Future would be a venture capital fund serving as a complement to the Foundation. Its target customers would be entrepreneurs and small business owners. The board of the Fund would also be composed of representatives from the BMENA and donor countries. The participating countries would need to discuss staffing and location of the headquarters of the Fund.

Coordinate Fund with Ongoing Activities

115. (SBU) Jordan's Awadallah said the creation of the Foundation and Fund is extremely important and represented an incentive for other donors to come forward. Noting that U.S. initiatives are often misunderstood in the Middle East, he said that parties would have to coordinate on a public rollout to describe the mandate clearly and emphasize that it is responding to needs in the region. Mohieldine also expressed support for the concept of a Fund. He noted that there were already several microfinance programs in the region and the FfF countries should ensure that the Fund did not duplicate efforts. He said that microfinance generally provided lending to small and micro-enterprises and focused on poverty alleviation. A more appropriate long term focus for the Fund would be financing for innovation sectors that contribute to the creation of a market-based economy.

116. (SBU) UK's Guy agreed on the need to coordinate the Fund with other activities, and mentioned both the Network of Funds and financing available as part of the Barcelona process. PDAS Cheney said that there were differences between the Fund and other projects but concurred that it needed to be coordinated, particularly with Barcelona. She noted that the announcement of the Foundation and the Fund at the November Forum meetings should be done jointly between the BMENA and G8 countries so it can be characterized as a multilateral (vice U.S.) initiative responding to the region's needs. Bahrain's Abdul Ghaffar stressed that the projects should not leak to the press and should only be revealed at the Forum meeting.

Participation and Communique

117. (SBU) Morocco's Al Emrani asked whether more than one minister from each country should attend the Forum. Abdul Ghaffar said that Bahrain envisioned a meeting of foreign ministers. Awadallah recommended that each country be given the latitude to decide which minister to send as head of delegation, depending on the issues to be addressed.

118. (SBU) Al Emrani said that for the 2004 FfF, the co-chairs (U.S. and Morocco) decided which countries to invite. They had agreed it was better to have countries inside rather than outside the BMENA initiative, and so had invited Iran, Libya, and Syria. They did not invite Sudan, however, because of serious policy concerns related to Darfur. Guy said that Bahrain and the UK would sort out the invitation list based on the principle that all should be

invited except if outstanding political issues prevented it.

119. (SBU) Mohieldine said that the participants were "lucky" in Rabat to have been able to issue a communique at the end of the conference. He suggested that this time the participants prepare a draft communique ahead of time so they could negotiate and agree on final language before the conference.

120. (U) PDAS Cheney cleared this cable.

MONROE